

CHAPTER 9

STATEMENT OF CUSTODIAL ACTIVITY★0901 FORMAT FOR THE STATEMENT OF CUSTODIAL ACTIVITY

Department of Defense [Reporting Entity] STATEMENT OF CUSTODIAL ACTIVITY For the year ending September 30, 1999 (\$ in Thousands)	
	<u>FY</u> <u>1999</u>
SOURCES OF COLLECTIONS	
1. Deposits by Foreign Governments	\$ 888,888
2. Other Collections	<u>222,222</u>
3. Total Cash Collections	<u>\$ 1,111,110</u>
4. Accrual Adjustments (+/-)	<u>111,111</u>
5. Total Custodial Collections	<u>\$ 1,222,221</u>
DISPOSITION OF COLLECTIONS	
6. Disbursed on Behalf of Foreign Governments and International Organizations	\$ 555,555
7. Increase (Decrease) in Amounts to be Transferred	222,222
8. Collections Used for Refunds and Other Payments	222,222
9. Retained by the Reporting Entity	<u>222,222</u>
10. Total Disposition of Collections	<u>\$ 1,222,221</u>
11. Net Custodial Collection Activity	<u><u>\$ 0</u></u>
<u>Additional information included in Note 20.</u> The accompanying notes are an integral part of these statements.	

Figure 9-1

0902 INSTRUCTIONS FOR THE PREPARATION OF THE STATEMENT OF CUSTODIAL ACTIVITY

★090201. General Instructions. The Statement of Custodial Activity is required for entities that collect nonexchange revenue for the General Fund of the Treasury, a trust fund, or other recipient entities. The collecting entities do not recognize collections that have been or should be transferred to others as revenues. Rather, they shall account for sources and disposition of the collections as custodial activities on the Statement of Custodial Activity. Material disclosures pertinent to the Statement of Custodial Activity are provided at Note 20. Format is displayed using notional data to assist the user. All figures in this statement should be based on preclosing balances.

090202. An exception to requiring preparation of the Statement of Custodial Activity is made when collecting entities have custodial collections that are nonmaterial and incidental to their primary mission. In these cases, the sources and disposition of the collections may be disclosed in accompanying footnotes.

090203. Line Item Instructions. In addition to the narrative below see the general ledger crosswalk in paragraph 090306 for a description of the accounts and attributes applicable to each line item.

A. Sources of Collections – Lines 1 through 5. Report in this section of the statement, cash collections using an identifier that describes the general source (i.e., other federal agency, foreign governments, or U.S. public). If any of these collections represent more than 10 percent of the value of total collections, then those collections should be separately disclosed under line 2. In Note 20, provide information that describes the purpose for which the deposits were received. If refunds are material in relation to gross collections, then disclose the purpose(s) of the refunds in Note 20. Funds provided in the context of Foreign Military Sales (FMS) are an example of applicable cash collections. A Statement of Custodial Activity shall be provided which reports the amounts of cash receipts and disbursement of the FMS trust Fund during the year.

1. Sources of Collections: Deposits by Foreign Governments – Line 1. Include the deposits by foreign government during the period.

2. Sources of Collections: Other Collections – Line 2. Include collections made from sources other than deposits by Foreign Governments.

3. Total Cash Collections – Line 3. This line equals the sum of lines 1 and 2.

4. Accrual Adjustments – Line 4. For the Department of Defense (DoD), this line is normally not applicable. However, the amount of advances not collected by the FMS billing date must be identified in Note 20.

5. Total Custodial Collections – Line 5. This line is the sum of lines 3 and 4.

B. Disposition of Collections – Lines 6 through 9. This section of the statement accounts for the disposition of the collections reported in the preceding section.

1. Disbursed on Behalf of Foreign Governments and International Organizations – Line 6. The net amount disbursed on behalf of foreign governments and international organizations is computed by subtracting refunds from gross amounts disbursed.

2. Increase (Decrease) in Amounts to be Transferred – Line 7. Report the change in liability for collections yet to be transferred. The liability may exist because it is a receivable, but has not yet been collected, or because collections already made have not yet been transferred to the entity for which collected as of the end of the reporting period.

3. Collections Used for Refunds and Other Payments – Line 8. Report the refunds and other payments made from collections on this line.

4. Retained by the Reporting Entity – Line 9. In some cases, collecting entities are permitted to retain a portion of amounts collected. Amounts retained shall be separately reported by the collecting entity.

5. Total Disposition of Collections – Line 10. This line is the sum of lines 5, 6, 7, and 8.

C. Net Custodial Collection Activity – Line 11. The total of the sources of collection section (total revenue) shall equal the total of the disposition of collections section (total disposition of revenue). The net custodial activity shall always equal zero.

0903 GENERAL LEDGER CROSSWALK FOR THE STATEMENT OF CUSTODIAL ACTIVITY.

The following provides an explanation of the information included in the columns of the crosswalk (all balances are preclosing balances, except where noted):

090301. Column (1) represents the line number on the statement.

090302. Column (2) identifies the title of the line number on the statement.

090303. Column (3) reflects the U.S. Government Standard General Ledger account numbers included on each line of the statement.

090304. Column (4) identifies the title of the general ledger account.

090305. Column (5) indicates the balance or value selected for each account (E = End of period balance, B = Beginning of period balance, E-B = End of period balance less the beginning of period balance).

★090306. Column (6) additional information to be used in developing the presentation of the identified data. Z = Account balance for this account should be reduced to zero prior to the preparation of the preclosing trial balance used to prepare this statement at year end.

(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Statement of Custodial Activity Title	Acct. No.	Account Title	Trial Bal.	Additional Detail Required
1.	Deposits by Foreign Governments	1010	Fund Balance With Treasury	E	Funds Collected. Custodial nonentity.
2.	Other Collections	1010		E	Funds Collected. Custodial nonentity.
3.	Total Cash Collections		Equals the sum of lines 1 and 2		
4.	Accrual Adjustments	1310	Accounts Receivable	E-B	Related to nonentity custodial collections.

Table 9-1

(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Statement of Custodial Activity Title	Acct. No.	Account Title	Trial Bal.	Additional Detail Required
4.	Accrual Adjustments (Cont.)	2110	Accounts Payable	E-B	Related to nonentity custodial interest expense.
5.	Total Custodial Collections		Calculation (Line 3 plus line 4)		
6.	Disbursed on Behalf of Foreign Governments and International Organizations	1010	Fund Balance With Treasury	E	Funds Disbursed. Custodial nonentity.
7.	Increase (Decrease) in Amounts to be Transferred	2980	Custodial Liability	E-B	Custodial nonentity.
8.	Collections Used for Refunds and Other Payments	1010	Fund Balance With Treasury	E	Refunds. Custodial nonentity.
9.	Retained by the Reporting Entity		Calculation (Sum Line 5 minus line 6, minus line 7, minus line 8)		
10.	Total Disposition of Collections		Calculation (Sum Line 6, plus line 7, plus line 8, plus line 9)		
★11.	Net Custodial Collection Activity		Calculation (Sum Line 5 minus line 10)		Z

Table 9-1 (Cont.)